

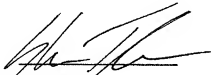
Appl No. : 10/614,395  
Applicant : Shane S. Taylor  
Filed : July 3, 2003  
Title : GAS VALVE  
Docket No. : A2:00010

**DECLARATION OF SHANE TAYLOR**

I, Shane Taylor, entered into a Commission Agreement on February 28, 2002 (Exhibit A) and a License Agreement on March 1, 2002 (Exhibit B) with Nature's Wing Fin Design, LLC (NWFD) in which Pete McCarthy was employed as President of NWFD. The subject matter of US Patent Application No. 10/614,395 was subject to these agreements in which all patent rights were assigned from NWFD to Shane Taylor.

Also, prior to and at the filing of the US Patent Application No. 10/614,395, I owned US Patent Application No. 09/872,130 that issued as US Patent No. 6,601,609. Accordingly, US Patent Application No. 10/614,395, and Patent No. 6,601,609 were, at the time the invention of Application No. 10/614,395 was made, owned by me.

I declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. 1001 and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.



Shane Taylor

5/25/10  
Date

## EXHIBIT A

## COMMISSION AGREEMENT

THIS COMMISSION AGREEMENT ("Agreement") is entered into and effective this 2-28-02 2000 (the "effective date"), by and between Nature's Wing Fin Design, LLC, a California Limited Liability Company located at 28305 Via Alfonso, Laguna Niguel, California 92677 USA ("NWFD"), and Shane S. Taylor, located at 4180 S. Taca, Encinitas, CA 92020 (CONTRACTOR).

1. The parties agree that CONTRACTOR has applied for a patent application entitled "Fluid Flow Control Valve" regarding improvements to valves, regulators, and valve connection devices (hereafter, "Fluid Control Valves"), and will be applying for further patent applications related to Fluid Control Valves, including but not limited to, all other patent applications filed in the United States or worldwide relating to this invention and within the same respective patent family, including all divisionals, continuations, and continuations-in-part thereof, and all U.S. and foreign patents which may be granted thereon, and all reissues and reexaminations thereof (hereafter, "Intellectual Property").

2. CONTRACTOR agrees that NWFD is providing consulting including, but not limited to, licensing strategies, product modification strategies, patent strategies, claim strategies, negotiation strategies, legal strategies, market penetration strategies, sales strategies, royalty strategies, manufacturing strategies, distribution strategies (hereafter, "NWFD Consulting") to CONTRACTOR, and CONTRACTOR agrees to keep NWFD Consulting Strategies confidential, to not disclose such strategies to others without written permission from NWFD, or to not use NWFD Consulting Strategies outside of this Agreement or a subsequent agreement signed in a single writing by both parties.

2. CONTRACTOR grants NWFD the exclusive right to sell License Agreements on behalf of CONTRACTOR which may enable Third Party Licensees to make, have made, use, sell, and offer for sale certain improved valve devices, regulator improvements, and pending and planned patent applications relating to ~~the equipment, products and products licensed by NWFD~~ ("Products").

Intellectual Property "A.I."

3. CONTRACTOR agrees to pay NWFD the following portion of gross royalties obtained from such License Agreements based on sales per calendar year (hereafter, "Total Yearly Royalty Revenue"):

a. If the Total Yearly Royalty Revenue is between \$0.00 US and \$249,999.00 US, CONTRACTOR pay NWFD a commission that is 5% of the Total Yearly Royalty Revenue for that calendar year.

b. If the Total Yearly Royalty Revenue is between \$250,000.00 US and \$499,999.99 US, CONTRACTOR pay NWFD a commission that is 10% of the Total Yearly Royalty Revenue for that calendar year.

c. If the Total Yearly Royalty Revenue is between \$500,000.00 US and \$749,999.99 US, CONTRACTOR pay NWFD a commission that is 15% of the Total Yearly Royalty Revenue for that calendar year.

d. If the Total Yearly Royalty Revenue is between \$750,000.00 US and \$999,999.99 US, CONTRACTOR pay NWFD a commission that is 20% of the Total Yearly Royalty Revenue for that calendar year.

e. If the Total Yearly Royalty Revenue is greater than \$1,000,000.00 US, CONTRACTOR pay NWFD a commission that is 25% of the Total Yearly Royalty Revenue.

4. CONTRACTOR agrees to pay NWFD a \_\_\_\_\_ % commission of net up front licensing fees collected from the sales of license Agreements.

5. Entire Agreement and Modifications: This writing, together with the Confidential Disclosure Agreement dated January 14, 2002, constitutes the entire agreement between the parties hereto and supersedes all prior and contemporaneous agreements, whether written or oral, regarding the subject matter of this Agreement, and no modifications or revisions hereof shall be of any force and effect unless such modifications or revisions are in a single writing, signed by an authorized individual of each party. This Agreement shall not be valid or enforceable against either party hereto until it has been signed by both LICENSOR and LICENSEE.

ALL PATENT IDEAS CREATED BY CONTRACTOR SOLELY FOR NWFD TO CONTRACTOR SOLELY AS A REWARD FOR CONTRACTOR'S RELATIONSHIP TO FLUID FLOW VALVES INVENTORIAL IN ASSURANCE WITH "CONSULTING" SHALL BE ASSIGNED TO CONTRACTOR.

signed

date

signed

date

Name

Pete McCarthy

Nature's Wing Fin Design, LLC

Title

PRESIDENT

TERM FOR THIS AGREEMENT IS UNTIL THE LAST EXPIRATION DATE OF THE LAST "INTELLECTUAL PROPERTY" RELATED VALUE RELATED PATENT, ORIGINATOR

IF NO LICENSES ARE SIGNED WITHIN TWO YEARS OF THE EFFECTIVE DATE, THIS AGREEMENT IS TERMINATED.

## EXHIBIT B

**LICENSE AGREEMENT**

THIS LICENSE AGREEMENT ("Agreement") is entered into and effective this 15<sup>th</sup> day of March, 2002 (the "effective date"), by and between James S. Taylor, located at 4180 S. Tuca Englewood CO ("LICENSOR") and Nature's Wing Fin Design LLC, a California limited liability company located at 28305 Via Alfonso, Laguna Niguel, California 92677 USA ("LICENSEE").

**RECITALS**

WHEREAS, LICENSOR owns the exclusive right to license certain Licensed Patents (as defined below) and Licensed Information (as defined below) relating to Valve Technologies,

WHEREAS, LICENSEE desires an exclusive, worldwide license to sublicense certain Valve Technologies, and LICENSOR is willing to grant such a license to LICENSEE,

WHEREAS, LICENSOR and LICENSEE have entered into an Agreement dated February 28, 2002 which is superseded by this Agreement,

NOW, THEREFORE, in consideration of the premises, mutual promises and covenants contained herein, the parties agree as follows:

1. **DEFINITIONS**

For purposes of this Agreement, the following terms shall have the meanings as set forth below:

a. "Licensed Information" shall mean all confidential or proprietary information, trade secrets and know how relating to the invention disclosed and claimed in the Licensed Patents.

b. "Licensed Patents" shall mean US patent application number                      titled "Fluid Flow Control Valve", and all other patent applications filed in the United States or worldwide relating to this subject matter and within the same respective patent family, including all divisionals, continuations, and continuations-in-part thereof, and all U.S. and foreign patents which may be granted thereon, and all reissues and reexaminations thereof.

c. "Licensed Products" shall mean Valve Technologies, including, but not limited to, those which are (i) covered by any claims of the Licensed Patents; (ii) manufactured in accordance with the Licensed Information; or (iii) promoted or marketed in accordance with the Licensed Information.

d. "Marks" shall mean the LICENSOR's "Dry Regulator Technology" and "DRT" trademarks; provided, however, that the appearance and/or style of these Marks may vary from time to time as specified by LICENSOR in accordance with section 11. the sub-branding

e. "Licensed Rights" shall mean each of, or any combination of, the Licensed Patents, Prm

Licensed Information, and Marks.

2. GRANT OF RIGHTS

a. Subject to the terms of this Agreement, LICENSOR hereby grants to LICENSEE, and LICENSEE hereby accepts, a non-transferable, exclusive, worldwide right and license under the Licensed Rights to sub-license the Licensed Rights to make, have made, use, offer for sale and sell (including by import and/or by export) Licensed Products.

b. Subject to the terms and conditions of this Agreement, LICENSOR grants to LICENSEE an exclusive, royalty-free license to use the Marks in connection with the marketing, advertising and sale of the Licensed Products.

3. PAYMENT

a. If any Initial Licensing Fees are collected from Sub-Licensed Third Parties, such up front license fees shall be divided between LICENSOR and LICENSEE according to the following schedule:

i. If for each Initial Licensing Fee collected from a Sub-Licensed Third Party that is between zero dollars (US \$0.00) and nineteen thousand nine hundred ninety nine dollars and ninety nine cents (\$19,999.99 US), LICENSEE shall receive 20% of such Initial Licensing Fees collected from such Sub-Licensed Third Party and LICENSOR shall receive 80% of such License Fees collected from such Sub-Licensed Third Party.

ii. If for each Initial Licensing Fee collected from a Sub-Licensed Third Party that is between twenty thousand dollars (US \$20,000.00) and twenty-four thousand nine hundred ninety nine dollars and ninety nine cents (\$24,999.99 US), LICENSEE shall receive 25% of such Initial Licensing Fees collected from such Sub-Licensed Third Party and LICENSOR shall receive 75% of such License Fees collected from such Sub-Licensed Third Party.

iii. If for each Initial Licensing Fee collected from a Sub-Licensed Third Party that is twenty-five thousand dollars (US \$25,000.00) or greater, LICENSEE shall receive 30% of such Initial Licensing Fees collected from such Sub-Licensed Third Party and LICENSOR shall receive 70% of such License Fees collected from such Sub-Licensed Third Party.

b. License Fees collected from Sub-Licensed Third Parties shall be divided between LICENSOR and LICENSEE according to the following schedule:

i. If zero dollars (US \$0.00) to two hundred forty-nine thousand nine hundred ninety nine dollars and ninety nine cents (\$249,999.99 US) of License Fees are collected from Sub-Licensed Third Parties for Licensed Products during a calendar year, LICENSEE shall receive 5% of the total gross License Fees collected from such Sub-Licensed Third Parties for that calendar year and LICENSOR shall receive 95% of the total gross License

Fees collected from such Sub-Licensed Third Parties for that calendar year.

ii. If two hundred fifty thousand dollars (US \$250,000.00) to four hundred ninety-nine thousand nine hundred ninety nine dollars and ninety nine cents (\$499,999.99 US) of License Fees are collected from Sub-Licensed Third Parties for Licensed Products during a calendar year, LICENSEE shall receive 10% of the total gross License Fees collected from such Sub-Licensed Third Parties for that calendar year and LICENSOR shall receive 90% of the total gross License Fees collected from such Sub-Licensed Third Parties for that calendar year.

iii. If five hundred thousand dollars (US \$500,000.00) to seven hundred forty-nine thousand nine hundred ninety nine dollars and ninety-nine cents (\$749,999.99 US) of License Fees are collected from Sub-Licensed Third Parties for Licensed Products during a calendar year, LICENSEE shall receive 15% of the total gross License Fees collected from such Sub-Licensed Third Parties for that calendar year and LICENSOR shall receive 85% of the total gross License Fees collected from such Sub-Licensed Third Parties for that calendar year.

iv. If seven hundred fifty thousand dollars (US \$750,000.00) to nine hundred ninety-nine thousand nine hundred ninety nine dollars and ninety-nine cents (\$999,999.99 US) of License Fees are collected from Sub-Licensed Third Parties for Licensed Products during a calendar year, LICENSEE shall receive 20% of the total gross License Fees collected from such Sub-Licensed Third Parties for that calendar year and LICENSOR shall receive 80% of the total gross License Fees collected from such Sub-Licensed Third Parties for that calendar year.

v. If one million dollars (US \$1,000,000.00) or more License Fees are collected from Sub-Licensed Third Parties for Licensed Products during a calendar year, LICENSEE shall receive 25% of the total gross License Fees collected from such Sub-Licensed Third Parties for that calendar year and LICENSOR shall receive 75% of the total gross License Fees collected from such Sub-Licensed Third Parties for that calendar year.

c. LICENSOR and LICENSEE agree that time is of the essence in regard to dividing revenue received from Sub-Licensed Third Parties and that LICENSOR and LICENSEE shall have full rights to all reports and information relating to Licensed Products for each Sub-Licensed Third Party.

#### 4. PRODUCT DEVELOPMENT; QUALITY CONTROL

a. LICENSOR agrees to provide a reasonable amount of free consulting services to each prospective sub-licensee in order to assist LICENSEE in securing sub-licenses. LICENSOR also agrees to provide a reasonable amount of free consulting to each Sub-Licensed Third Party in order to assist each Sub-Licensed Third Party in producing high quality versions of Licensed Products. LICENSOR shall pay its own travel expenses and all reasonable out of pocket expenses incurred by LICENSOR in providing the consulting services. LICENSEE shall pay all travel expenses and out of pocket expenses incurred by LICENSEE in regard to sub-licensing the Licensed Rights.





5. OWNERSHIP

a. Any patentable ideas created by LICENSEE which solely relate to the Fluid Flow Valve technology covered by the Licensed Patents specified in this Agreement shall be assigned to LICENSOR during the term of this Agreement.

6. CONFIDENTIALITY; LICENSING

a. LICENSOR agrees to maintain in confidence licensing strategies including, but not limited to, product modification strategies, patent strategies, claim strategies, licensing language strategies, negotiation strategies, market penetration strategies, sales strategies, license fee strategies, and distribution strategies (hereafter, "Confidential Information").

b. LICENSOR and LICENSEE agree to maintain in confidence the Licensed Information, it being understood that LICENSEE's obligations under this paragraph are subject to LICENSEE's reasonable requirements to disclose the Licensed Information to third parties as part of the development, manufacture, marketing, servicing and maintenance of Licensed Products. Notwithstanding the foregoing, the parties have entered into a Confidential Disclosure Agreement effective as of January 14, 2002. In the event that any of the terms of such Confidential Disclosure Agreement and this Agreement are inconsistent, the terms of this Agreement shall control.

c. LICENSOR and LICENSEE agree to maintain in confidence all financial information of LICENSOR and LICENSEE obtained pursuant to this Agreement.

d. LICENSOR and LICENSEE agree to keep in confidence, all confidential information provided by Sub-Licensed Third Parties.

7. TERM

a. The term of this Agreement shall continue until the Expiration Date of the last to expire of the Licensed Patents. Nothing in this agreement shall be construed as granting LICENSEE a right to use LICENSOR's trademarks beyond the term of this Agreement.

8. TERMINATION

a. If any material breach or default occurs with respect to the terms of this Agreement, the other of said parties shall have the right to provide written notice specifying in detail the nature of the breach or default. If said alleged material breach or default has, in fact, occurred and is not cured within ninety (90) days from the date of mailing of the written notice, the other of said parties shall have the right to terminate this Agreement upon giving an additional fifteen (15) days notice to the defaulting party of its intent to terminate, and this Agreement shall terminate at the end of such notice.

b. If a Sub-Licensing Agreement regarding the Licensed Rights has not been achieved a third party prior to March 1, 2004, then LICENSOR shall have the right to terminate this Agreement upon giving an additional fifteen (15) days notice to LICENSEE of its intent to

terminate, and this Agreement shall terminate at the end of such notice.

15. **NOTICE**

All notices required or permitted to be given pursuant to this Agreement must be in writing and may be given by any method of delivery which provides evidence or confirmation of receipt, including personal delivery, express courier (such as Federal Express), telecopy, and prepaid certified or registered mail with return receipt requested. Notices shall be deemed to have been given and received on the date of actual receipt or, if either of the following dates is applicable and is earlier, then on such earlier date: one (1) business day after sending, if sent by telecopy or express courier; or five (5) business days after deposit in the U.S. mail, if sent by certified or registered mail. Notices shall be given or addressed to the respective parties at the following addresses:

To:

With copy to:

To: Mr. Pete McCarthy  
Nature's Wing Fin Design, LLC  
28305 Via Alfonso  
Laguna Niguel, CA 92677

With copy to: Steve Nataupsky, Esq.  
Knobbe, Martens, Olson & Bear, LLP  
620 Newport Center Drive, 16th Floor  
Newport Beach, CA 92660



Any party may change its address for the purpose of this section by giving written notice of such change to the other party in the manner herein provided.

16. **GENERAL CLAUSES**

a. No Agency, Joint Venture, Partnership: The parties hereby agree that this Agreement merely constitutes an exclusive licensing agreement, and that no agency, franchise, joint venture or partnership is created thereby, and that neither party shall incur obligations in the name of the other party without said other party's prior written consent.

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- b. No Implied Waiver: No failure or delay in the part of either party hereto in insisting upon or enforcing or resorting to any of its powers, rights, remedies or options hereunder, and no partial or single exercise thereof, shall constitute a waiver of any such powers, rights, remedies or options. No course of conduct or dealing between the parties shall act as a modification or waiver of any provisions of this Agreement. Only a modification or waiver which is contained in a single writing signed by both parties shall be effective.
- c. Entire Agreement and Modifications: This writing, together with the Confidential Disclosure Agreement dated January 14, 2002, constitutes the entire agreement between the parties hereto and supersedes all prior and contemporaneous agreements, whether written or oral, regarding the subject matter of this Agreement, and no modifications or revisions hereof shall be of any force and effect unless such modifications or revisions are in a single writing, signed by an authorized individual of each party. This Agreement shall not be valid or enforceable against either party hereto until it has been signed by both LICENSOR and LICENSEE.
- d. Governing Law/Venue: This Agreement shall be governed and construed in accordance with the laws of the State of California, and the parties agree that it is executed and delivered in that state. In the event any legal action becomes necessary to enforce or interpret the terms of this Agreement, the parties agree that such action will be brought in a court of competent jurisdiction in Orange County California, and the parties hereby submit to the jurisdiction of said court.
- e. Attorneys' Fees: In the event that any legal action becomes necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled, in addition to its court costs, to such reasonable attorneys' fees, expert witness fees and legal expenses as may be fixed by a court of competent jurisdiction.
- f. Paragraph Headings: The paragraph headings herein are for convenience only and shall not be interpreted to limit or effect in any way the meaning of the language contained herein.
- g. Severability: Should any part or provisions of this Agreement be held unenforceable or in conflict with the law of any jurisdiction, the validity of the remaining parts or provisions shall not be affected by such holding so long as the primary purposes and intentions of the parties can still be accomplished.
- h. Binding Effect: This Agreement shall be binding upon the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.
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IN WITNESS WHEREOF, the parties have caused this instrument to be executed, effective as of the Effective Date.

Nature's Wing Fin Design, LLC

Dated: March 1-02

By: [Signature]

Printed Name: Shane Taylor

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Dated: MARCH 1, 2002

By: [Signature]

Printed Name: PETE M. CUNY

Title: PRESIDENT

Company: NATURE'S WING FIN DESIGN, LLC

ROS-3853

(PTM) [Signature]